

**Statement by Rep. Michele Bachmann
House Financial Services Mark-up of the
Committee Budget Views and Estimates**

March 11, 2009

Thank you, Mr. Chairman.

Unfortunately, the “Budget Views and Estimates the Majority has prepared for mark-up today overspends and inflates the budgets of many existing government programs – even those that have now unspent money in their budgets.

Between the so-called “stimulus” bill and the omnibus appropriations bill, more than \$51 billion was added to HUD’s budget for various programs.

This includes the HOPE for Homeowners program, which has only served about 25 families, and the Neighborhood Stabilization Program, which provides a disincentive for lenders to actually rework borrowers’ mortgages so they may stay in their homes.

In addition, ACORN remains eligible to receive taxpayer dollars by the billions under the President’s budget. Since 1994, they have received at least \$53 million in direct federal funding, including through HUD’s HOME and Community Development Block Grant programs. This is incredibly frustrating to my constituents whose tax dollars are being doled out to an organization that has been associated time and again with proven voter fraud.

Even the Majority seemed to understand that this was a problem last year when they ensured groups like ACORN could not receive taxpayer dollars under the Housing and Economic Recovery Act (HERA). The Administration’s budget should require the same level of oversight and accountability in its budget not just for housing programs but across the board for all government programs.

I’d also like to comment on the President’s Homeowner Affordability and Stability Plan, which devotes \$75 billion to a loan modification program and \$200 billion to purchase Fannie and Freddie preferred shares. This plan still does not include safeguards to ensure bad actors and irresponsible borrowers are not rewarded over those who have been prudent, taken out loans they could afford, and lived within their means. And to double the government’s “investment” in Fannie and Freddie at a time when the overwhelming evidence points to privatization is simply irresponsible.

His plan also calls for bankruptcy “cramdown,” a policy that will be detrimental to the already stressed housing market as lenders increase mortgage costs to price for this new risk. Even worse, the plan does not include a substantial safeguard to ensure cramdown is truly a last resort.

The Republican budget alternative raises important questions that taxpayers deserve to have answered, urges holding the line on government spending and calls for Democrats to reject tax increases. And, rather than including \$250 billion for another financial bailout as the Administration's budget does, our alternative reserves judgment and calls for the Committee to develop an exit strategy from this current bailout mania. This is a better alternative and I urge my colleagues to support it.

Thank you, Mr. Chairman, and I yield back the balance of my time.